

This is a peculiar situation. He has written to me. I have written back to him and we are looking into the matter.

श्री सभापति : माननीय सदस्यों ने प्रश्न पूछने के लिए अपने हाथ खड़े किए हैं, लेकिन बिजनेस एडवाइजरी कमेटी में यह निर्णय हुआ है कि एक प्रश्न में दो से ज्यादा सप्लीमेंटरी अलाऊ नहीं करना है।

Service tax on medical profession

*182. SHRI PENUMALLI MADHU††
SHRIMATI BRINDA KARAT:

Will the Minister of FINANCE be pleased to state:

- (a) whether there are any concessions in taxation for some medical institutes;
- (b) whether Government consider to exclude Service Tax on medical profession; and
- (c) in how many States are medical profession is taxed and what is the percentage of tax on medical profession?

THE FINANCE MINISTER (SHRI P. CHIDAMBARAM): (a) to (c) A Statement is laid on the Table of the House.

Statement

- (a) Yes, Sir. A number of concessions are available to medical institutes under the Income-tax Act, 1961.
- (b) At present, service tax is not leviable on services provided by medical personnel in their professional capacity.
- (c) The States have powers to levy 'taxes on professions, trades, callings and employments' by virtue of Entry 60 of the State List of Seventh Schedule to the Constitution of India. Article 276(2) of the Constitution provides that the total amount payable in respect of any one person to the State or to any local body in the State shall not exceed Rs. 2,500 per annum in respect of such tax. The incidence of this tax may fall on any profession, trade or employment (public sector or private) which includes

††The question was actually asked on the floor of the House by Shri Penumalli Madhu.

medical profession as well. As per information available, such tax is being levied by only about 20 States. The total collection is estimated at about Rs. 2,400 crores during 2004-05. The rates of tax vary from State to State within the overall ceiling of Rs. 2,500 per person per annum.

SHRI PENUMALLI MADHU: Sir, the health care system in India is mainly manned by the private sector. Only one-third of the patients are provided with medical care in Government hospitals. Not only that, but in view of the Chikungunya, Dengue and other viral fevers, spreading all over India in rural areas, I would like to know from the hon. Minister, whether he is having any plans to exempt the rural professional from the professional tax.

SHRI P. CHIDAMBARAM: Sir, profession tax is levied by the State Government. This power is given to the State Legislature under the Constitution. Whether any particular profession should be exempted from profession tax is a matter for each State Legislature and State Government to decide. The Central Government does not levy any profession tax.

SHRI PENUMALLI MADHU: Sir, all over India, many farmers are committing suicides. Distress is very much visible in the rural areas, and the reason found in many surveys is that the farmers are committing suicides not only because of distress sales, but also because of heavy commitment to the health care system. In view of that, I request the Minister whether they can direct the State Government to relieve them from profession tax.

SHRI P. CHIDAMBARAM: Sir, how is it in my power to direct a State Legislature or a State Government?

MR. CHAIRMAN: Shrimati Brinda Karat, not here. Next Question; 184.

SHRI SITARAM YECHURY: Sir, I am here. It is very ominous that you have forgotten me, Sir.

MR. CHAIRMAN: Question No. 183.

Dwindling of ground water table

*183. SHRI SITARAM YECHURI: Will the Minister of WATER RESOURCES be pleased to state: